

Rutherford County Schools

Health & Education Items

July 26, 2016

General Purpose School 2016/17 Budget Amendments

1. Amendment to Move Software Budget to Final State Accounts

This amendment reallocates \$4,854,683 in already budgeted software and other technology expenditures to the specific function object code combinations the State Department of Education has asked us to use beginning with the 2016/17 year. At the time the budget was approved, the list of approved function object code combinations had not been released.

Recommended motion – to amend \$4,854,683 in already budgeted software and other technology budgeted expenditures to the specific function object code combinations the State Department of Education has asked us to use beginning with the 2016/17 year as presented.

2. Unassigned Fund Balance Transfer to Building Program

This amendment transfers \$11,000,000 from the General Purpose School Fund Unassigned Fund Balance to the School Building Program, Fund 189. \$5,501,000 of this transfer will cover the needed increase in the construction budget for Rocky Fork Middle School. The bids for Rocky Fork Middle School were opened on June 28, 2016, and that evening the School Board awarded the contract to R G Anderson for a total of \$34,287,000.

In order to meet the planned August 2017 opening date for the school a purchase order for the site development was issued.

The \$5,499,000 balance of this transfer will be used for later elementary projects.

The County would have to borrow approximately \$12,900,000 in order to net this \$11,000,000 of elementary school construction funds. This \$11,000,000 is available due to unbudgeted growth in 2015/16 local revenues, BEP Growth Funds, and savings in budgeted medical insurance.

Recommended motion – to amend a transfer of \$11,000,000 from the General Purpose School Fund Unassigned Fund Balance to the School Building Program, Fund 189 with \$5,501,000 of this transfer used to cover the needed increase in the construction budget for Rocky Fork Middle School and \$5,499,000 balance of this transfer to be used for later elementary projects as presented.

Energy Efficiency School Initiative Contract and Loan for 2016/17 Projects

The Rutherford County School System has been awarded \$2,137,047 in Energy Efficiency School Initiative (EESI) funds in order to install automated control systems on HVAC units in 19 of our schools and to change gym lighting from metal halide to LED at Rockvale Middle School and Rock Springs Elementary School. We will file for reimbursement from EESI as we pay for these items. The loan repayments will begin after the projects are complete. The repayments are included in the 2016/17 General Purpose School budget. The loan will include a 0.75% (3/4 of 1 %) administrative fee. These project paybacks range from .7 years to 7 years. The energy savings will be enough to pay off the loan.

Recommended Motion --- to approve the loan from the Energy Efficiency School Initiative in the amount of \$2,137,047 at a 0.75% administrative fee to be repaid over a four year period with funds from the General Purpose School budget as presented.